

**MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE**

Room 210 East Senate Building, State Capitol Complex

February 7, 2014

Members Present: Sen. Stephen H. Urquhart, Co-Chair
Rep. Keith Grover, Co-Chair
Rep. Jon E. Stanard, House Vice Chair
Sen. Patricia W. Jones
Sen. Aaron Osmond
Sen. Howard A. Stephenson
Sen. Jerry W. Stevenson
Sen. John L. Valentine
Rep. Jack R. Draxler
Rep. Rebecca P. Edwards
Rep. Don I. Ipson
Rep. Dana L. Layton
Rep. Kay L. McIff
Rep. Marie H. Poulson
Rep. Dean Sanpei
Rep. Robert M. Spendlove
Rep. Mark A. Wheatley

Members Absent: Sen. J. Stuart Adams

Staff Present: Mr. Spencer Pratt, Fiscal Manager
Ms. Angela Oh, Economist/Statistician
Ms. Lorna Wells, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

1. Call to Order

Co-Chair Urquhart called the meeting to order at 1:36 p.m.

2. Requests for Appropriations

a. ASSERT Sen. Lyle Hillyard distributed “ASSERT Questions and Answers.” He explained this is a special-education program at Utah State University (USU) which teaches students how to deal with children with autism. It is also an outreach program to parents in other areas of the state. The program allows teachers to add a special education certificate to their teaching certificate. They are asking for \$50,000 on-going funding for this program.

b. Sound Beginnings Sen. Hillyard explained that “Sound Beginnings” deals with children who are deaf or hard of hearing. Specialists in the field report that unless the cochlear implant is done within the first year of life, it doesn’t work. USU provides training to students in these programs and allows them to get certificates. There are also community outreach programs. They are asking for \$50,000 on-going funding for this program.

c. Old Lyric Theater Sen. Hillyard discussed the Old Lyric Theater in Logan, which recently celebrated its 100th year. He reported that the theater department at USU revived this

theater in the 1950's and is in need of some major repairs. He discussed the importance of arts to the community. They are requesting \$100,000 one-time, stating that USU will have to come up with additional funding.

Sen. Hillyard suggested that when the committee is ready to prioritize funding requests, that they make two lists. The first list would be the large, major funding priorities. The second list would be for the smaller budget items that make a big difference in the community. Co-Chair Urquhart appreciated Sen. Hillyard's approach of putting together a list of the smaller budget items that are very important.

d. Rocky Mountain Center Sen. Karen Mayne presented a budget request in the amount of \$50,000 for the Rocky Mountain Center for Occupational and Environmental Health. She distributed a binder explaining the great work of this organization. She introduced Kurt Hegmann who is the Center Director. Dr. Hegmann said that they have two main disciplines: industrial hygiene and occupational environmental medicine, and that the center works with over 1,000 businesses in the state. He discussed the types of environmental and health questions that they work to answer. Co-Chair Urquhart commented that he is familiar with the amazing work that takes place at the Rocky Mountain Center.

e. Dixie State University (DSU) - University Status Co-Chair Urquhart made this funding request in Rep. Ipson's absence. Pres. Nadauld worked with the Board of Regents to develop a \$9 million plan to move DSU forward. Through great leadership, most of the \$9 million was funded through efficiencies at DSU. There was a remaining balance of \$4 million. Last year \$1.5 million was funded, they are now requesting the balance of \$2.5 million.

f. Dixie State University Computer Crime Lab Co-Chair Urquhart said that they have requested an appropriation of \$249,000. He stated that there are only two of these labs in the world, the other one is at Scotland Yard. When law enforcement obtains a cell phone in almost any condition, the Computer Crime Lab can retrieve everything off the chip inside. The academic costs of the crime lab are covered by the current DSU budget. The funding request is for the necessary outreach and forensic lab portion for law enforcement agencies.

3. USHE Institutional Requests:

a. Dixie State University Pres. Stephen Nadauld introduced Frank Lojko, Vice President of Student Services. Pres. Nadauld commented that DSU is Southern Utah's regional open access teaching university, and that they also fill the community college role for southern Utah. Last year, they issued 68 percent associate degrees and 32 percent baccalaureate degrees. They have seen a significant increase in baccalaureate degrees and will probably be at 50 percent in the near future. He discussed the demographics of the student body. Pres. Nadauld indicated they have two major challenges, the first is retention and the second is equitable state funding. He discussed some of their plans to improve retention and completion. He explained that they received a two percent increase in state dollars at a time when their growth rate was 62.5 percent, which puts a tremendous strain on the institution, and makes their per FTE funding very low.

Their major funding requests are the critical acute equity, compensation, and the remaining balance for university status.

Rep. Draxler stated that he is very impressed with the new retention program. He asked how students who are struggling are flagged and what issues raise that flag. V.P. Lojka replied that each faculty member indicates students who have poor attendance or low scores on assignments on an electronic roll. That information is reported to the student and academic advising. The advisors bring the students and faculty together to come to a solution.

Sen. Jones applauded DSU for the stellar students and staff and the great culture at DSU. Rep. Ipson thanked Pres. Nadauld for his great work as he led DSU through tremendous growth and receiving university status. He stated that the entire community has been blessed by his great service. He wished Pres. Nadauld the best as he retires from DSU.

b. Southern Utah University (SUU) President Scott Wyatt introduced Donna Law, the SUU representative at the Capitol. He said SUU has tremendous support for system-wide budget request. He indicated that the top priority is salaries. He discussed the acute equity and mission-based funding requests. He indicated that SUU will only receive additional funding through mission based request and that SUU's portion is .0058 of the total system request. This funding will be used to increase the graduation rate, and to put people in jobs. They would like to focus more attention on the number of students who complete their desired goals for attending SUU. He would like to fund based on outputs. He indicated that they have invested many of their resources to increase the graduation rate from 35.8 percent to the current 52.6 percent. SUU would like the committee to help recognize the faculty and staff by funding salary and compensation increases as well as mission-based funding. Co-Chair Urquhart thanked Pres. Wyatt for the tremendous effort to improve the graduation rate.

Sen. Stephenson thanked Pres. Wyatt for the presentation. He asked the chairs for guidance on how to stop funding inputs and fund outputs instead. He asked how to get to where they want to be. He commented that the shift to performance-based funding is moving too slowly. Co-Chair Urquhart replied that the number one goal of both chairs is to move the system toward performance-based funding. He felt that the equity piece was the most critical because the institutions have to have a common starting point. If institutions are competing for funding, they need to be starting with similar circumstances. He stated that last year \$1 million was appropriated towards performance measures on five criteria, and that every year more money needs to be placed on completion. Co-Chair Urquhart stated that the institutions are very responsive. In four or five years if there is around \$30 million for performance measures, this will definitely drive the system. He stated that it is important not to disrupt the good things about the USHE and UCAT systems.

Co-Chair Grover commented that they are working to put in statute some wording that may add incentive to drive the institutions to more meaningful productivity. Sen. Stephenson and Co-Chair Urquhart discussed this issue further and will continue to discuss it during the interim.

Pres. Wyatt mentioned that putting everyone on a level playing field is a very complex challenge. He explained some of the challenges associated with rural areas and metropolitan areas. He stated that the different missions for each institution also mean different business models and different funding models. Rep. McIff agreed with Pres. Wyatt regarding the significant distinctions between the institutions. The great challenge placed on the committee is to make fair comparisons.

Rep. Wheatley concurred with the discussion about outcomes. He asked about the completion time-table of 2002 to 2007. Pres. Wyatt answered that the year shown was the freshman entering class of 2007 adding six years for graduation would be 2013.

c. Utah State University (USU) President Stan L. Albrecht stated that USU welcomes an examination of outcomes and that there is substantial movement towards this goal. He appreciated Sen. Hillyard's funding requests. He welcomed USU students in attendance. Pres. Albrecht discussed at length the five areas of funding requests: 1) compensation; 2) mission-based funding specific to USU's unique mission; 3) equity funding; 4) Veterinary Medicine Program and 5) Graduate Education enhancement.

Sen. Valentine stated that they are very interested to see where the veterinary medicine placements will occur after the first four years of the cohort. Their desire was to have some of these students settle in rural areas where there are critical needs for veterinarians. He asked Pres. Albrecht to track these placements. Pres. Albrecht concurred with Sen. Valentine stating that they will be excited to report back once this first cohort has been placed.

5. Other Requests

Utah Academic Library Consortium Ms. Daphne Selbert, Council Chair stated that she was representing university libraries from across the state. She discussed the buying power accomplished from the tremendous coordination of this consortium. She explained the Mountainwest Digital Library. <http://mwdl.org> Ms. Selbert reported that one of their challenges is that the database subscription costs have increased. The UALC has had to cancel some important databases because they have not had allocation increases. They are requesting \$250,000 on-going. She distributed "UALC Consortium Fiscal Year 2015 Budget Request" to fund the shortfall, meet ongoing costs; and to upgrade the essential academic pioneer database.

MOTION: Rep. Poulson moved to adjourn. The motion passed unanimously.

Co-Chair Urquhart adjourned the meeting at 3:43 p.m.